



## Chemplast Sanmar Limited

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CIN L24230TN1985PLC011637

7<sup>th</sup> August, 2024

BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code - 543336	National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Mumbai- 400 051 Scrip Symbol: CHEMPLASTS
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Dear Sirs/Madam,

**Sub: Earnings Release**

Please find enclosed the earnings release titled "**Q1 & FY '25 Consolidated Financial Highlights**".

The above information will also be available on the website of the company at [www.chemplastsanmar.com](http://www.chemplastsanmar.com)

Date & Time of occurrence of the event/information: 7<sup>th</sup> August, 2024, 6.12 PM (IST)

This is for your information and records.

Thanking you,

Yours faithfully,

For CHEMPLAST SANMAR LIMITED

M Raman  
Company Secretary & Compliance Officer  
Memb. No. ACS 6248



### Q1 FY '25 Consolidated Financial Highlights

**Chennai, August 7, 2024:** Chemplast Sanmar Limited (NSE: CHEMPLASTS | BSE : 543336), a speciality chemicals company with a significant presence in the Custom Manufacturing business, the market leader in Speciality Paste PVC in India, and the 2<sup>nd</sup> largest producer of Suspension PVC in India (through its wholly-owned subsidiary), announced its unaudited Financial Results for the quarter ended June 30, 2024.

(Rs. Crs)	Q1 FY '25	Q1 FY '24	YoY%	Q4 FY '24	QoQ%
Revenue from Operations	1,145	996	15%	1,051	9%
EBITDA	124	(35)	<i>nm</i>	21	<i>nm</i>
EBITDA Margin %	11%	-3%		2%	
PAT	24	(64)	<i>nm</i>	(31)	<i>nm</i>
PAT Margin %	2%	-6%		-3%	

#### Key highlights

- PVC prices temporarily revived during the quarter due to increased ocean freights – however, there has been a slippage in prices post the end of the quarter
- Feedstock (VCM and EDC) prices have tracked PVC prices directionally during the period
- Demand for Chloromethanes and Caustic Soda remained soft during the quarter
- **Custom Manufactured Chemicals Division ('CMCD') – Business update:**
  - CMCD registered a strong performance in Q1 FY '25.
  - We have also signed a new letter of intent ('LoI') with a global agrochemical innovator to supply an advanced intermediate for a recently launched active ingredient; This is the 5<sup>th</sup> LoI we have signed in the last 20 months
  - The LoI covers a period of 5 years and broadens our customer base

#### **Projects Update**

- Phase 2 of the multi-purpose production block expansion project is expected to be commissioned in Q2 FY '25
- The Board has approved a further investment of about Rs. 160 cr towards capacity expansion of the Custom Manufactured Chemicals Division at Berigai.



## Earnings Release

**Commenting on the results, Mr. Ramkumar Shankar, Managing Director, said,** *“We are pleased to update that the company has reported the total revenues of Rs. 1,145 Cr with an EBITDA of Rs. 124 Cr, an 11% margin during Q1 FY '25. The first quarter of the financial year has started on a positive note registering a noteworthy profitability, showing a sign of improvement both on Y-o-Y and on sequential basis.*

*The revenue contribution from Speciality chemicals grew by 61% on Y-o-Y basis which is supported by higher volumes of Speciality Paste PVC from the newly commissioned facility at Cuddalore and the increased revenue from Custom manufactured Chemicals Division. Value-added chemicals' # revenue grew by 20% on Y-o-Y due to higher volumes of Caustic Soda. Suspension PVC revenue has been stable in Q1 FY '25 as compared to the corresponding period last year, while it has improved by 8% sequentially. We witnessed a positive swing in profits in the current year on account of improved prices of PVC and lower feedstock prices.*

*The improvement in PVC prices was largely due to a severe container shortage for cargo originating from China – however, these heightened freight rates have started dropping off post the end of the quarter. This, coupled with continued weakness in the Chinese economy and large volumes of low-priced imports coming in from China, has resulted in PVC prices dropping in July. The decision on the anti-dumping petition on Suspension PVC, filed by the domestic industry, is expected only by Q3 of the current financial year.*

*On the CMC business, an investment of about Rs. 160 crores have been approved by the board of directors towards capacity expansion. This capacity expansion reiterates our commitment to grow the CMC business. Along with our recent commissioning of state-of-the-art R&D, pilot and production blocks, this new investment is a reflection of our strong product pipeline and the pace at which we commercialise new products.*

*Further, we have recently signed a new Letter of Intent ('LoI') with an agrochemical innovator for an advanced intermediate for a new active ingredient. This LoI is for a period of 5 years. Besides broadening the customer base, this LoI also gives us an opportunity to participate in a newly launched molecule. This is the 5<sup>th</sup> LoI that we have signed over the past 20 months. This also echoes our customers' confidence in Chemplast Sanmar's wide range of chemical processes and R&D capabilities. I am thankful for the hard work and perseverance of our team of chemists and engineers.*

*Going forward, the demand environment across our speciality product portfolio continues to remain strong. From a Suspension PVC perspective, we see robust demand coming in from the infra-led irrigation projects.”*



# Chemplast Sanmar Limited

## Earnings Release



CHEMPLAST SANMAR LIMITED

### About Chemplast Sanmar Limited

Chemplast Sanmar Limited is part of the SHL Chemicals Group, which in turn is a constituent of The Sanmar Group, one among the oldest and most prominent corporate groups in South India. It is a major manufacturer of Speciality Chemicals such as Speciality Paste PVC resin and Custom Manufactured chemicals for agro-chemical, pharmaceutical and fine chemicals sector. The company also produces other chemicals such as Caustic Soda, Chloromethane products, Hydrogen Peroxide and Refrigerant gas. Chemplast is one of the most integrated chemical plants in the country with a closed manufacturing loop.

Chemplast also manufactures Suspension PVC through its wholly owned subsidiary Chemplast Cuddalore Vinyls Limited. Chemplast is the largest manufacturer of Speciality Paste PVC Resin in the country and is the second largest producer of Suspension PVC in India.

Chemplast is a pioneer in adopting eco-friendly manufacturing processes and one of the industry leaders in sustainability practices. The Company is a recipient of numerous awards and recognitions on this front.

### **Safe Harbor Statement**

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact



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